



Nazmul Haque Prodhan, the lawmaker for Panchagarh-1 constituency; A Rouf Chowdhury, chairman of Bank Asia; Zakia Rouf Chowdhury, vice-chairman of Rangs Group; Rume A Hossain, former chairman of the board executive committee of the bank; Md Arfan Ali, president and managing director; Romana Rouf Chowdhury, a director; Md Towhidul Islam, mayor of Panchagarh Municipality; Enam Chowdhury, a director of Sea Resource Group, and Amiran Hossain, a director of Rangs Group, open the bank's 121st branch on Sadar Road of Panchagarh yesterday.

BTRC to offer 4 tower company licences

MUHAMMAD ZAHIDUL ISLAM

The telecom regulator is on the final stage to offer four telecom tower company licences and a request for proposal (RFP) notice will be published within the next two to three working days.

In a special commission meeting yesterday, Bangladesh Telecommunication Regulatory Commission decided to issue the public notice without any delay, said Md Jahurul Haque, commissioner for legal and licensing division at the BTRC.

"We can award the licences within the next two months," said Haque.

These tower licensing provisions were incorporated to develop mobile network coverage area by facilitating optimum utilisation of telecom resources and reducing environmental hazards, he added.

According to guidelines, four

companies will get licences to manage mobile towers in Bangladesh and the evaluation process will be conducted under the "beauty contest" method.

Tower companies will have to own, build and maintain all telecom towers while operators, including all mobile and other telecom service providers, will take services from them.

Currently, mobile phone operators have more than 30,000 towers across the country, according to BTRC data; officials expect this number to go down after the licences are awarded.

A top official of the BTRC said though the option was there to provide four licences, only two interested parties have communicated with them so far.

Of them, one is US-based global tower company and a market leader, American Tower Corporation, and another is edotco Bangladesh, said

the official.

Malaysian company edotco is a sister concern of Axiata Group, which is the owning company of local mobile operator Robi.

"The chances are low for other parties to join as it is a very capital-intensive business," said a top official of the BTRC's legal and licensing wing.

In the guidelines, foreign companies' shareholding limit in a tower sharing company has been increased to 70 percent from the proposed 49 percent, meaning edotco will have to amend their shareholding structure before it can get the licence.

Moreover, no entity having relations with mobile phone or WiMAX companies can apply for the tower sharing business licence.

The licence acquisition fee and annual fee have been set at Tk 25 crore and Tk 5 crore respectively.

Besides, licensees will have to

share 5.5 percent of their revenue with the government and contribute another 1 percent to the social obligation fund from the second year of getting licences.

The licensees will also have to give a performance bank guarantee worth Tk 20 crore to the BTRC and the telecom regulator would encash up to 50 percent of the performance bank guarantee in phases if the licensees fail to fulfill the rollout obligations.

As per the rollout obligations, the tower entity will have to start operations within 180 days of getting the licence.

On the other hand, mobile phone operators will have to roll back their towers within five years, but they can build towers in places where the tower sharing companies have no presence.

The tenure of the licence would be 15 years initially and would be extended gradually by five years.

Medicine makers demand cash incentive on exports

STAR BUSINESS REPORT

Local medicine makers have urged the government to extend cash incentive benefit to the exports of pharmaceutical products to help the sector grow further and capture more overseas markets.

The leaders of the Bangladesh Association of Pharmaceutical Industries (BAPI) made the demand at a seminar on "Bangladesh pharmaceutical industry: opportunities and challenges" at the Pan Pacific Sonargaon Hotel in Dhaka on Tuesday.

"Bangladesh is the only country that can supply high-quality but low-cost medicines to the world because of low production cost. But we need the cash incentive to export," said Nazmul Hassan, president of the association.

He said pharma export has bright prospects and the prime minister has declared the pharmaceutical products, including their raw materials, as the 'Products of the Year' for 2018.

In fiscal 2015-16, the annual sales of pharmaceutical products stood at Tk 15,600 crore for the domestic market. This is a huge jump for the sector as the industry size was only Tk 170 crore in 1982. Currently, local manufacturers meet 97 percent of the domestic demand for lifesaving medicines.

Bangladesh exports medicines to 150 countries, including the USA, Canada, Australian and the European Union.

Exports of pharmaceutical products registered 14.6 percent growth in 2011-2016. Pharmaceuticals raked in \$60.24 million in the July-January period of the current fiscal

year, up 14.44 percent year-on-year.

Hassan praised the local industry for supplying quality medicines at reasonable prices. "Otherwise, we would have to import medicines and the price would have been eight times higher," he said.

In the pharmaceutical sector, the government has announced cash incentive for active pharmaceutical ingredients, but local manufacturers don't produce raw materials, said SM Shafiuazzaman, secretary general of the association.

He said if the government provides the cash incentive for medicine exports the volume would double within a year.

Hassan also said: "We have nine years before becoming a developing country. So, if the government gives us cash incentives in different tiers, Bangladesh will be better prepared to face the challenges of the graduation from the least-developed country category."

Addressing the programme, Commerce Minister Tofail Ahmed said he would recommend incentive for the sector but the finance ministry is solely responsible for its implementation.

He assured the association that the government would extend its cooperation to the sector to boost exports.

Mohammed Nasim, health and family welfare minister, urged the BAPI to reduce the price of some medicines taking into account the purchasing power of the low-income people.

Md Serajul Huq Khan, secretary of the health services division, and Md Mustafizur Rahman, director general of the Directorate General of Drug Administration, also spoke.

Japan passes record \$926b budget

REUTERS, Tokyo

Japan's parliament approved a record \$926 billion state budget on Wednesday for the next fiscal year, starting on April 1, with analysts wary about Prime Minister Shinzo Abe's ability to push fiscal reform as he faces a crisis over suspected cronyism.

With the passage of the budget bills, attention is shifting to debate on a mid-year fiscal reform plan to rein in what is already the heaviest public debt burden in the industrialised world.

Analysts doubt Abe would push painful reform, at a time when he faces his biggest political crisis since taking office in late 2012 as suspicions swirl about a sale of state-owned land at a huge discount to a nationalist school operator with ties to his wife.

The 97.7 trillion yen (\$925.89 billion)

spending plan - above 97.5 trillion yen initially planned for the current fiscal year - features a large welfare outlay to respond to a fast-ageing population and a record military outlay to cope with regional tension related to China and North Korea.

Failure to curb spending has cast doubt on Abe's will to back fiscal reform, as he counts on economic growth to boost tax revenue to reduce new borrowing and on the central bank's low-interest rate policy to curb the high cost of servicing the public debt.

Analysts are calling for streamlining welfare spending as the government is set to draw up a new fiscal plan around June.

The premier has pushed back a 2020/21 budget-balancing goal, with a pledge to ensure a social welfare system for all generations.

Tech upgrades to boost power business



ARIJIT CHAKRABORTY

THE business of electrical power is quite unique. Power is produced like a commodity. However, when it comes to its usage, it has to be consumed at the time of its production. This unique characteristic creates certain unique opportunities to deploy technology and reshape the business of power.

Today, the power generation capacity of Bangladesh has grown to 16GW, according to the website of Bangladesh Power Development Board (BPDB). Simultaneously, the transmission capacity has also increased, thereby making electricity accessible to many urban and rural homes.

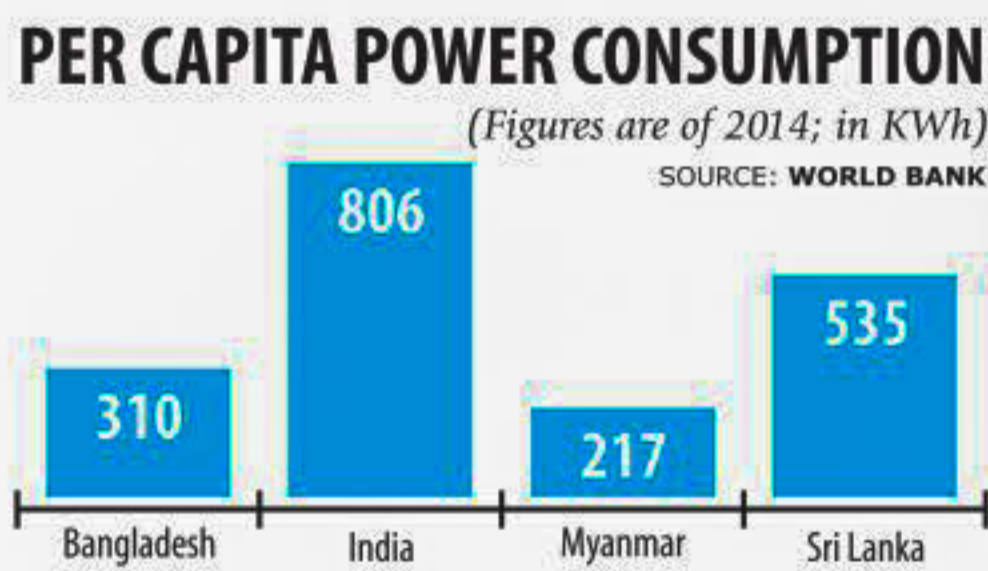
The increased reliance on electrical appliances in households and industries has led to an increase in the consumption of electricity. As per the World Bank data, electricity consumption per capita in Bangladesh was 310 KWh in 2014, while that of India and USA in the same year was 806 KWh and 12,987 KWh respectively.

It is certain that the per capita consumption of electricity in Bangladesh is going to increase. This increase will bring in a new set of challenges and will increase the level of expectations from participants in the power business—that is, power transmission companies, power production companies and power distribution companies. The deployment of newer technologies will help these companies to meet new challenges and expectations, as well as realise the maximum benefits arising from new opportunities.

The Power Grid Company of Bangladesh currently runs more than 10,000 circuit kilometres of high-voltage transmission lines, according to the information available in their website. The transmission and supply of power needs to be uninterrupted, otherwise

the power produced will not reach consumers, thus resulting in the wastage of energy. While traditional power relays give good enough information to detect faults and rectify them, they don't have the ability to predict when the fault is going to occur. Today, power equipment is built with sensors to gather data and store it on the cloud for further processing. Processing of this data can help us generate enough insight so that we know when a particular switchgear or switchboard is likely to fail due to which power transmission would be disrupted.

Further, drone technologies can help us detect carbon shoots on porcelain insulators and the time required to clean them to avoid faults resulting power transmission failure. Drones can also provide forewarnings about mechanical snags that develop on power



lines. These new technologies are going to make power transmission in Bangladesh uninterrupted.

The demand-supply gap in the power business needs to be minimised to ensure minimum electricity is wasted and maximum electricity is sold. Grid monitors usually carry out this coordination by preparing and distributing a schedule of power production and consumption. Such planning can be enriched by data analysis using faster analytics tools and scientific models. Data that is available with power distributors can be aggregated using cloud technologies and analysed using analytics technologies. The insights from the analysis can be used to prepare a granular and realistic production plan. Subsequently, that plan can be used by power producers to prepare their generation schedule and run their generating stations.

Modern technologies like GIS maps and mobile apps can assist grid monitors to get



STAR/FILE

The adoption of new technologies in an appropriate way will help create a modern power business ecosystem.

real-time performance of the full grid, thus helping to take timely decisions to manage the grid performance. This technology-assisted collaboration would ensure higher plant load factor and would help managing the cost per unit of electricity.

It is important for large generating stations to know whether any component of the power plant is going to fail (e.g. boiler tube leakage) so that they can initiate preventive actions. Sensors and Internet of things (IoT) devices can collect real-time data and process it. This can prevent unscheduled outages of power plants.

The distributors of electrical power run long networks of power lines through overhead and underground cables. They have a lot of distribution transformers across their distribution zones too. Modern technology can provide real-time data about the health of these cables. Software with artificial intelligence and data analysis capabilities will be able to predict when and how faults are going

to develop and how they should be managed.

Thus, the application of disruptive technologies can help prevent disruption in power production, transmission and distribution. However, the most important change is going to take place in the profiles of customers. As the cost of producing renewable energy like solar or wind power is going down, we will see such energy getting produced at the household level. Many customers will produce renewable energy for their own use and will draw power from the grid only when needed. At times, some customers will produce power more than their requirements and will transmit excess power to the grid.

The bidirectional flow of electricity in the grid is going to be the new normal. Further, customers may also earn money for their net contribution of energy to the grid. This will catalyse the formation of a new system of power distribution. Technologies such as net-metering and the hybrid grid system will help

power business participants create a system of suppliers and purchasers.

Finally, the whole mechanism of power trading can be reformed due to emerging technologies such as the blockchain. The blockchain can allow producers and buyers to transact power on this technology platform with minimal governance and maximum transparency. This will lead to faster transactions, lower trading costs and simpler regulatory work. The blockchain can therefore democratise the power business.

The power sector in Bangladesh is poised for significant growth in the coming years. The adoption of new technology in an appropriate way will help create a modern power business ecosystem. It will also help achieve the ultimate goal of inclusion by providing cheaper and better access to electricity for all.

The writer is partner at PwC. The views expressed here are personal.